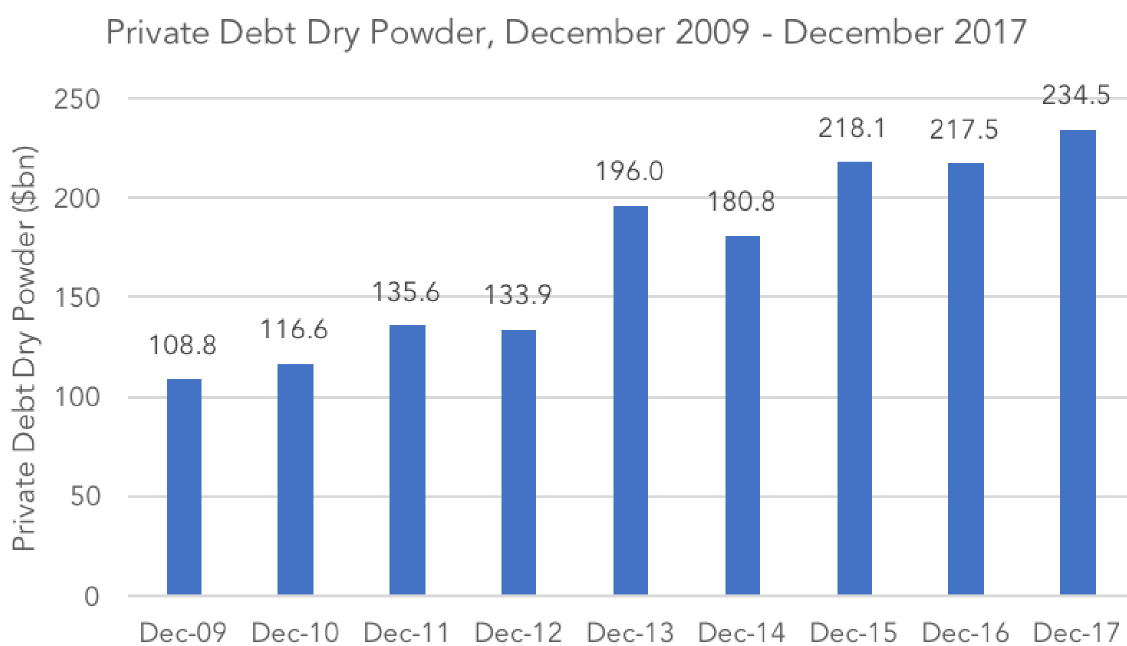
Private Debt Intelligence – 1/15/2018

THE LEAD | January 16, 2018

Private Debt Dry Powder

Chart



Download Data

[wpdm_package id='16103?]

As at December 2017, private debt sits on a record amount of $235bn in dry powder, exceeding the previous record of $218 set in December 2015. The $235bn is also an increase of $17bn from December 2016, as well as being over twice the amount of dry powder seen seven years ago.

When broken down by fund type, direct lending makes up the largest portion of overall private debt dry powder, with $81bn in uninvested capital. Distressed debt closely follows, with $80bn in dry powder. Dry powder for mezzanine type stands at $51bn, while special situations dry powder is at $27bn. Of the private debt types, venture debt makes up the smallest portion of dry powder, with $4.6bn.

There was a decrease in dry powder for both mezzanine and distressed debt types from December 2016, while the three other fund types saw dry powder increase. Mezzanine funds saw a decrease of $2.4bn, and distressed debt dry powder dropped by $6.9bn. Despite venture debt accounting for the lowest proportion of overall private debt dry powder, the fund type saw the most growth and jumped from $2.6bn in December 2016 to $4.6bn in December 2017. In fact, venture debt dry powder is at a record high, going beyond the previous record of $2.9bn seen in December 2007. Direct lending is also seeing record levels of dry powder. Direct lending dry powder jumped up from $60bn in December 2016, and the current level of direct lending powder towers over the previous high of $66bn seen in December 2013.

Contact: Naomi Feliz
Naomi.Feliz@preqin.com